

## Message Text

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PAGE 01 CAPE T 00074 291414Z

67

ACTION AF-06

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 INT-05 STR-04 /058 W

----- 085919

R 291340Z JAN 76

FM AMEMBASSY CAPE TOWN

TO SECSTATE WASHDC 4909

INFO AMEMBASSY PRETORIA

AMCONSUL JOHANNESBURG

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USE CAPE TOWN 0074

E.O. 11652: N/A

TAGS: ETRD, SF

SUBJ: COUNTERVAILING DUTIES - FERROCHROME

REF: (A) 75 STATE

150504, (B) STATE 15003

1. AIRCO BOARD CHAIRMAN GEORGE S. DILLON CALLED ON ME JANUARY 29. HE SAID AIRCO DISAGREED WITH TREASURY DEPARTMENT RULING IN COUNTERVAILING DUTY HEARING WHICH ACCEPTED SOME OF AIRCO'S ALLEGATIONS REGARDING SAG SUBSIDIES ON FERROCHROME AND REJECTED OTHERS. HE SAID ROUGH CALCULATION WOULD BE THAT SUBSIDIES WHICH TREASURY ACCEPTED AND WHICH SAG AGREED TO ELIMINATE AMOUNTED TO ABOUT ONE AND ONE-HALF (1.5) CENTS PER POUND WHEREAS AIRCO BELIEVED ALL SUBSIDIES TOTALLED BETWEEN FOUR AND FIVE CENTS A POUND. AIRCO WAS STUDYING MATTER BUT "PROBABLY" WOULD GO TO COURT TO APPEAL TREASURY RULING. HE NOTED THAT ONE OF CONTENTIONS OF AIRCO'S ATTORNEYS WAS THAT THE SYSTEM OF APARTHEID ITSELF CONSTITUTED A SUBSIDY BY PROVIDING CHEAP LABOR.

2. DILLON SAID AIRCO WOULD BE HAPPY TO DISCUSS MATTER WITH LIMITED OFFICIAL USE

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PAGE 02 CAPE T 00074 291414Z

SAG AND TO SEND COMPANY REPS TO PROVIDE DETAILED INFORMATION.

HE WONDERED WHETHER IT WOULD BE ADVISABLE TO CONTACT SAG DIRECTLY OR WHETHER WE MIGHT CONVEY TO SAG COMPANY'S WILLINGNESS TO DISCUSS MATTER. I TOLD HIM OUR INDICATIONS ARE THAT SAG WOULD TAKE ATTITUDE THAT THESE MATTERS HAVE BEEN DISCUSSED ON GOVERNMENT-TO-GOVERNMENT BASIS AND SHOULD SO CONTINUE.

3. DILLON ASKED WHAT MECHANISMS THERE ARE FOR CONFIRMING SAG COMPLIANCE WITH AGREEMENT TO ELIMINATE CERTAIN SUBSIDIES. I TOLD HIM THAT EXPERIENCE TO DATE INDICATES THAT WHEN SAG GIVES AN UNDERTAKING OF THIS SORT IT CARRIES IT OUT. IF HE WANTED MORE DETAILS I SUGGESTED HIS COMPANY CHECK WITH TREASURY DEPARTMENT.  
BOWDLER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE LAW, LABOR, COUNTERVAILING DUTIES, FERROALLOYS, CHROMIUM  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976CAPET00074  
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**Document Unique ID:** 00  
**Drafter:** n/a  
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**Film Number:** D760034-0916  
**From:** CAPE TOWN  
**Handling Restrictions:** n/a  
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**Original Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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**Subject:** COUNTERVAILING DUTIES - FERROCHROME  
**TAGS:** ETRD, SF, AIRCO, (DILLION, GEORGE S)  
**To:** STATE  
**Type:** TE  
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